

## REMARKS

### **§101 rejections**

In the 14 November 2007 Office Action, claims 48 - 68 are rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. More specifically, the Examiner states that claims 48 - 68 are "directed to software and lack any structural components". These rejections are respectfully traversed by in two ways. First, by noting that the Examiner has failed to establish a prima facie case that any of the claims are directed to non-statutory subject matter. Second, by noting that the claim rejections fail under both standards of the Administrative Procedures Act and are therefore moot.

The first reason claims 48 - 68 are patentable is that the 14 November 2007 Office Action fails to establish a prima facie case of non-statutory subject matter for the rejected claims. It is well established that *"the examiner bears the initial burden ... of presenting a prima facie case of unpatentability."* In *re Oetiker*, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). The Assignee respectfully submits that the Examiner has not supported his assertion and as a result has failed to meet the burden of establishing a prima facie case that the claims are non-statutory. As noted previously, the determination of non-statutory subject matter relies on a single unsupported statement.

As stated previously, the second way the Assignee will respectfully traverse the rejection of claims 48 - 68 will be by noting that every one of the rejections are not in compliance with the requirements of the Administrative Procedures Act and are therefore moot. In *Dickinson v. Zurko*, 119 S. Ct. 1816, 50 USPQ2d 1930 (1999), the Supreme Court held that the appropriate standard of review of USPTO findings are the standards set forth in the Administrative Procedure Act ("APA") at 5 U.S.C. 706 (1994). The APA provides two standards for review – an arbitrary and capricious standard and a substantial evidence standard. The Supreme Court has defined substantial evidence as "substantial evidence is more than a mere scintilla. It means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion. . . Mere uncorroborated hearsay or rumor does not constitute substantial evidence. Consolidated, 305 U.S. at 229-30 (citations omitted)". The Assignee respectfully submits that the instant Office Action fails to provide even a scintilla of evidence to support the allegation of non statutory subject matter it contains and that as a result it fails to meet the substantial evidence standard.

The Assignee respectfully submits that the 14 November 2007 Office Action also fails to pass the arbitrary and capricious test. In the Gartside decision (In re Gartside 203F.3d 1305, 53 U.S.PQ2d 1769 (Fed Circuit 2000)) the First Federal Circuit discussed the arbitrary and capricious standard when it noted: *Because this standard is generally considered to be the most deferential of the APA standards of review, (see Stein et al., Administrative Law 51.03, at 51-117 (1999)) the reviewing court analyzes only whether a rational connection exists between the agency's fact findings and its ultimate action, (see Hyundai Elecs. Indus. Co. v. ITC, 899 F.2d 1204, 1209, 14 USPQ2d 1396, 1400 (Fed. Cir. 1990).* The Assignee respectfully submits that the rejection of claims 48 – 68 contained in the 14 November 2007 Office Action also fails to pass the arbitrary and capricious test for a number of reasons including:

1. the Examiner has not completed any discernible fact finding that can be rationally or irrationally connected to the claim rejections contained in the Office Action;
2. the U.S.P.T.O. has found inventions for computer readable media and processes to be statutory (i.e. in re Beauregard) when they are not embodied in signals;
3. independent claim 48 describes an article of manufacture that tangibly embodies a program of instructions executable by the structural components the Examiner claims are missing; and
4. independent claim 59 identifies the structural components that the Examiner claims are missing. In claim 59 these components permit the apparatus to function. Claims 60 – 68 are dependent on claim 59.

The Assignee notes that there are a number of other ways to traverse these rejections.

### 35 U.S.C. § 112 Second Paragraph Rejection of Claims

In the 14 November 2007 Office Action the Examiner has rejected claims 35 – 68 are rejected under 35 U.S.C. §112 second paragraph. The Assignee will respectfully traverses the §112 second paragraph rejections of each claim in several ways. First, by noting that the Office Action has failed to establish a prima facie case that the claims do not meet the requirements of §112 second paragraph. Second, by noting that the claim rejections based on assertions of alleged indefiniteness are not in compliance with the Administrative Procedures Act and are therefore moot. Third, by noting that the disclosure and prior art completely explains the relevant terms and that most of the alleged indefiniteness is associated with terms that are not relevant to the claimed invention. The Assignee also notes that claim amendments have obviated the Examiner's concerns re: claim 36, feature options and the process outputs that are being referenced in the claims.

The first way the Assignee will traverse the 35 U.S.C. §112 second paragraph rejection of claims 35 – 68 will be by noting that the arguments presented by the Examiner fail to establish the prima facie case required to sustain a §112 second paragraph rejection. *MPEP 2173.02 states that: definiteness of claim language must be analyzed, not in a vacuum, but in light of:*

- (A) *The content of the particular application disclosure;*
- (B) *The teachings of the prior art; and*
- (C) *The claim interpretation that would be given by one possessing the ordinary level of skill in the pertinent art at the time the invention was made.*

*In reviewing a claim for compliance with 35 U.S.C. 112, second paragraph, the examiner must consider the claim as a whole to determine whether the claim apprises one of ordinary skill in the art of its scope and, therefore, serves the notice function required by 35 U.S.C. 112, second paragraph, by providing clear warning to others as to what constitutes infringement of the patent. See, e.g., Solomon v. Kimberly-Clark Corp., 216 F.3d 1372, 1379, 55 USPQ2d 1279, 1283 (Fed. Cir. 2000). See also In re Larsen, No. 01-1092 (Fed. Cir. May 9, 2001). In the case of claims 1, 49 and 61 the Examiner has failed to establish the prima facie case that the specification does not meet the requirements of §112 second paragraph in four ways for every rejected claim. The four ways are:*

1. by failing to interpret the claims in light of the specification,
2. by failing to provide any evidence that someone of average skill in the relevant arts would have difficulty interpreting the claims,

3. by failing to establish that the limitation(s) in the claims fail to describe the invention and/or
4. by failing to consider the claim as a whole.

As noted previously, the second way the Assignee will respectfully traverse the §112 second paragraph rejections of claims 35 – 68 is by noting that the assertions regarding the alleged indefiniteness of the claims are not in compliance with the requirements of the Administrative Procedures Act and are therefore moot. In *Dickinson v. Zurko*, 119 S. Ct. 1816, 50 USPQ2d 1930 (1999), the Supreme Court held that the appropriate standard of review of PTO findings are the standards set forth in the Administrative Procedure Act ("APA") at 5 U.S.C. 706 (1994). The APA provides two standards for review – an arbitrary and capricious standard and a substantial evidence standard. The Assignee respectfully submits that discussion in the preceding paragraphs clearly shows that the instant Office Action fails to provide even a scintilla of evidence to support the allegation that the specification does not meet the requirements of §112 second paragraph and that as a result it fails to meet the substantial evidence standard. The Assignee respectfully submits that the 14 November 2007 Office Action also fails to pass the arbitrary and capricious test because the Examiner has not provided any evidence of relevant fact finding that can be connected to the rejections contained in the Office Action. In particular, the Assignee notes that the 14 November 2007 Office Action does not contain any declarations from individuals with the requisite skill in the art of process management to support the assertions regarding the claims. The Assignee notes that there are still other ways in which these rejections can be shown to be arbitrary, capricious and discriminatory.

The third way the Assignee will traverse these claim rejections is by noting that the disclosure and the prior art makes it clear that the terms that allegedly confused the Examiner are explained by the specification and/or that the cited terms are not relevant to the claims.

<b>Allegedly indefinite term</b>	<b>Explanation</b>
Risk of an element of risk	Not relevant to claims
Elements of external factors	Not relevant to claims
External factors	Specification of cross referenced applications makes meaning clear to those of average skill in the art, claim 46 defines scope
Risk of a plurality of feature data	Not relevant to claims
Portfolio effect	Specification makes meaning clear to those of average skill in the art
Automated learning	Specification makes meaning clear to those of average skill in the art

The remainder of the specific concerns raised by the Examiner are related to aspects of the invention that do not need to be included in the claims including: how risk is measured and or determined, how value is measured or determined, how learning is used to develop the value and risk components, how mapping the expected process outputs to the matrices of value and risk is accomplished, how one uses simulation data to identify the impact of one or more process outputs on a matrix and/or how a real option segment of value defined the risk matrix.

#### **Request for affidavits under 37 C.F.R. 1.104**

Because the 14 November 2007 Office Action contains no evidence, the claim rejections rely entirely on the personal knowledge of the Examiner and/or one or more other employees of the Office. 37 C.F.R. 1.104 provides that:

*When a rejection in an application is based on facts within the personal knowledge of an employee of the Office, the data shall be as specific as possible, and the reference must be supported, when called for by the applicant, by the affidavit of such employee, and such affidavit shall be subject to contradiction or explanation by the affidavits of the applicant and other persons.*

Accordingly, the Assignee requests that an affidavit detailing the facts within the personal knowledge of any employee(s) of the Office that were used to support the underlined statements that:

1) The limitation of obtaining a model that: identifies value and risk for each of the one or more elements of value, external factors and risks is vague and indefinite. The Assignee notes that none of the rejected claims contain the allegedly confusing language (italicized above). The Assignee also notes that none of the rejected claims mentions or suggests identifying the risk of an element of risk.

2) The computational model lacks antecedent basis. The Assignee notes that the rejected claims call for: a *computational model of organization financial performance that identifies a contribution to an organization value and an organization risk for each of one or more elements of value, external factors and risks for each of one or more segments of enterprise value.* The development and use of this model is described in FIG. 6A, 6B, 6C and 7 and line 1, page 55 to line 21, page 97 of the specification for cross referenced application 09/994,379. This material has been added to the specification for the instant application by amendment.

3) The scope of elements of external factors is indefinite. The Assignee notes that none of the rejected claims mention or suggest *elements of external factors.*

4) The scope and definition of external factors is indefinite. The Assignee notes that external factors are described on line 12, page 20 through line 15 page 20 of the specification for cross referenced application 09/994,379. This material has been added to the specification for the instant application by amendment.

5) The portfolio effect is vague and indefinite. The scope of the portfolio effect is described in FIG. 6A, 6B, 6C and 7 and line 1, page 55 to line 21, page 97 of the specification for cross referenced application 09/994,379. This material has been added to the specification for the instant application by amendment.

6) It is not clear what is being simulated. The Assignee notes that as described in the specification simulation is used in two ways. It is used to simulate organization financial performance as required to identify the optimal set of features for each process. Simulation is also optionally used to generate performance data for forecast changes in process operation as described in the last paragraph on page 14 of the specification for the instant application. While not required, the claims have been amended to incorporate these distinctions.

7) The term "automated learning" is vague and indefinite. Automated learning is described in FIG. 6A, 6B, 6C and 7 and line 1, page 55 to line 21, page 97 of the specification for cross referenced application 09/994,379. This material has been added to the specification for the instant application by amendment.

8) The term "operating factor data" is vague and indefinite. Operating factors are clearly described in the specification. The United States Office of Personnel Management reference shows that the meaning of the term is well known to those of average skill in the art.

9) Identifying an external factor of a plurality of organization related process specifications is indefinite. The Assignee notes that none of the rejected claims mention or suggest *external factor of a plurality of organization related process specifications*.

10) The risk of a plurality of process feature data is indefinite. The Assignee notes that none of the rejected claims mention or suggest *the risk of a plurality of process feature data*.

11) The segments of value and elements of value in claim 45 are in improper Markush format. In some cases this may be because they are not in art recognized classes.

12) Claims 48 and 59 are directed to software and lack any structural components.

The Assignee is hereby also requesting that an affidavit detailing the reason or reasons why the Examiner feels that extra limitations need to be added to the claims in order to describe: how mapping the expected process outputs to the matrices of value and risk is accomplished, how risk is measured and or determined, how value is measured or determined, how learning used to develop the value and risk components, how one uses simulation data to identify the impact of one or more process outputs on a matrix and/or how a real option segment of value defined the risk matrix. If the Examiner no longer feels these additions are required, then there is no need to respond to this request.

The Assignee is hereby also requesting that an affidavit detailing the reason or reasons why process optimization applications from large companies are classified as artificial intelligence

applications (class 706) while the instant application is classified as a business method (class 705) application.

The Assignee is hereby also requesting that an affidavit detailing the combinations and/or modifications of teachings that the Examiner and other personnel at the U.S.P.T.O. who will be involved in the review of this application, its anticipated continuation and the anticipated appeal have made without the assistance of a patent specification or any other teaching, motivation or suggestion be prepared and forwarded to the Assignee. For each listed combination, the teaching(s) and their source should be identified. The product name for any commercialized combinations of teachings should also be included in the affidavit. If there are none, then there is no need to respond to this request.

#### **Statement under 37 CFR 1.111**

37 CFR 1.111 requires that the basis for amendments to the claims be pointed out after consideration of the references cited or the objections made. 37 CFR 1.111 states in part that:

In amending in response to a rejection of claims in an application or patent undergoing reexamination, the applicant or patent owner must clearly point out the patentable novelty which he or she thinks the claims present in view of the state of the art disclosed by the references cited or the objections made. He or she must also show how the amendments avoid such references or objections.

The Assignee notes that this requirement is not relevant to the instant application because, as detailed above, there are no references or objections to avoid. Having said that, the Assignee notes that the primary reasons the prior set of claims were amended to put the claims in final form for allowance and issue.

### **Reservation of rights**

The Assignee hereby explicitly reserves the right to present the previously modified and/or canceled claims for re-examination in their original format. The cancellation or modification of pending claims to put the instant application in a final form for allowance and issue is not to be construed as a surrender of subject matters covered by the original claims before their cancellation or modification.

### **Conclusion**

The pending claims are of a form and scope for allowance. Prompt notification thereof is respectfully requested.

Respectfully submitted,

/B.J. Bennett/

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